

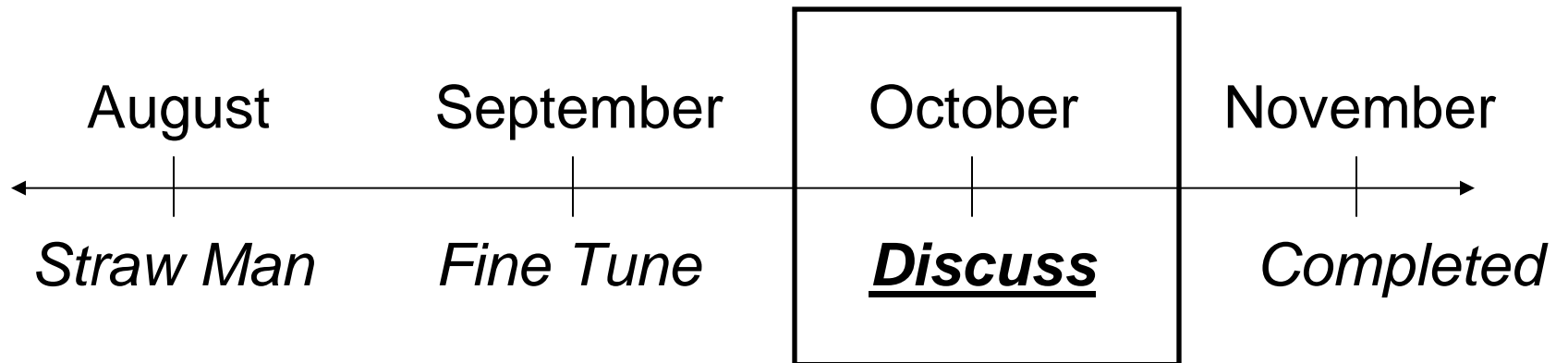


**Kansas Health Reform Options Study:
Providing and Protecting
Affordable Health Insurance
KHPA Board Meeting**

October 16, 2007

Context

- Project Timeline
- Model Evolution



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Kansas Health Care Reform Study Objectives

Kansas Health Care Reform Option Goals:

1. **Provide and protect affordable health insurance** for all Kansans in order to ensure appropriate access to health care;
2. **Pay for prevention and a primary care medical home** in order to improve health outcomes, coordinate care, and drive down health care costs;
3. **Promote personal responsibility** in order to embrace healthy behaviors and to contribute to the cost of health insurance, based on ability to pay.

We have been hired to help with #1 by developing a model which presents options to providing affordable health insurance.

This project was developed with the financial support of the United Methodist Health Ministry Fund, Sunflower Foundation - Health Care for Kansans, the REACH Healthcare Foundation, and the Health Care Foundation of Greater Kansas City.

Summary of Sept. 25th Board Meeting

- Premium Assistance
 - Expansion population
- Children's Coverage
 - Mandatory versus voluntary model
 - Young adults
- Small Business
 - Section 125 plans
 - Defining small groups
 - Reinsurance
 - Pilot projects

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Sequential (As presented Sept. 25th)

Major Differentiator	
<ul style="list-style-type: none"> 3 Part Health Insurance Reform – Mandatory for Children, Expand SB11, and Connector/Exchange 	
STRUCTURE	POLICY DECISIONS
<ol style="list-style-type: none"> Mandatory Health Insurance for Children: <ul style="list-style-type: none"> To enroll in School, Children < 19 yrs old must show proof of insurance Expand SB 11 to 150% FPL Market Clearinghouse – Business Health Partnership for Small Group Market: <ul style="list-style-type: none"> Allow Sole Prop's and Small Group Require access to Section 125 Add Subsidized Reinsurance Program to Spread Risk for combined market Provide Seal of Approval to Products Maintain Go Bare Provision 	<ol style="list-style-type: none"> Program Design – Market Driven Reform: <ul style="list-style-type: none"> Establish and Enforce Mandate on Children's Health Insurance Expand SCHIP to 250% FPL Expand SB11 to 150% Affordability & Coverage Standards Change Kansas Insurance Laws Establish Reinsurance Program Determine Reinsurance Funding Subsidize Small Group/Sole Props < 250% FPL Require Section 125
ISSUES	
<ul style="list-style-type: none"> Children's Mandate Combined Market – Selection v. Level-Playing Field State Match/Vehicle 	

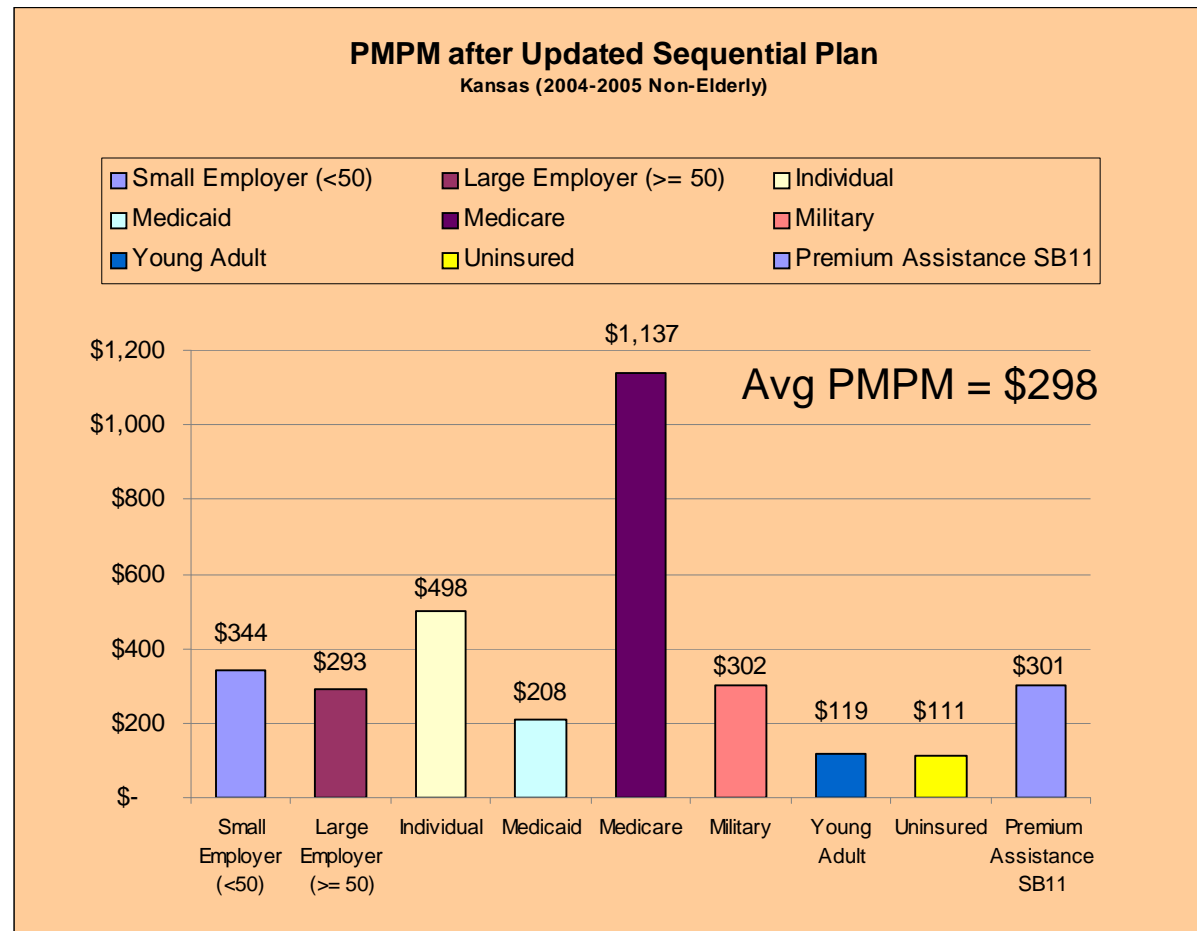
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Updated Sequential (Includes Board input)

Major Differentiator	
<ul style="list-style-type: none"> 3 Part Reform – Outreach for Children, Expand SB11, and Voluntary Connector/Exchange 	
STRUCTURE	POLICY DECISIONS
<ol style="list-style-type: none"> 1. Targeted Outreach - Children: Aggressive marketing to enroll already eligible kids <ul style="list-style-type: none"> ▪ Medicaid/SCHIP up to 200% 2. Expand SB 11 to include Childless Adults up to 100% FPL 3. Voluntary Connector - Small Market Reforms: <ul style="list-style-type: none"> ▪ Voluntary Health Insurance Clearinghouse ▪ Targeted Market Reform <ul style="list-style-type: none"> ✓ Development of “micro-markets”: Combine Sole Prop’s with Groups (1-10 ee’s) and provide subsidized reinsurance to new Very Small Group (VSG) mkt ✓ Targeted Products for Young Adults (ages 19-24) ✓ Pilot projects ▪ Assist Small group in Section 125 	<ol style="list-style-type: none"> 1. Program Design – Market Driven Reform: <ul style="list-style-type: none"> ▪ Choose Phased Vehicle(s) for Targeted Outreach ▪ Expand SB11 to 100% ▪ Change Kansas Insurance Laws ▪ Establish VSG Reinsurance Program ▪ Determine VSG Reinsurance Funding ▪ Choose Vehicle(s) for Educating all Small Employers about Section 125
ISSUES	
<ul style="list-style-type: none"> Outreach Effectiveness Combined Market – Selection v. Level-Playing Field State Match/Vehicle 	

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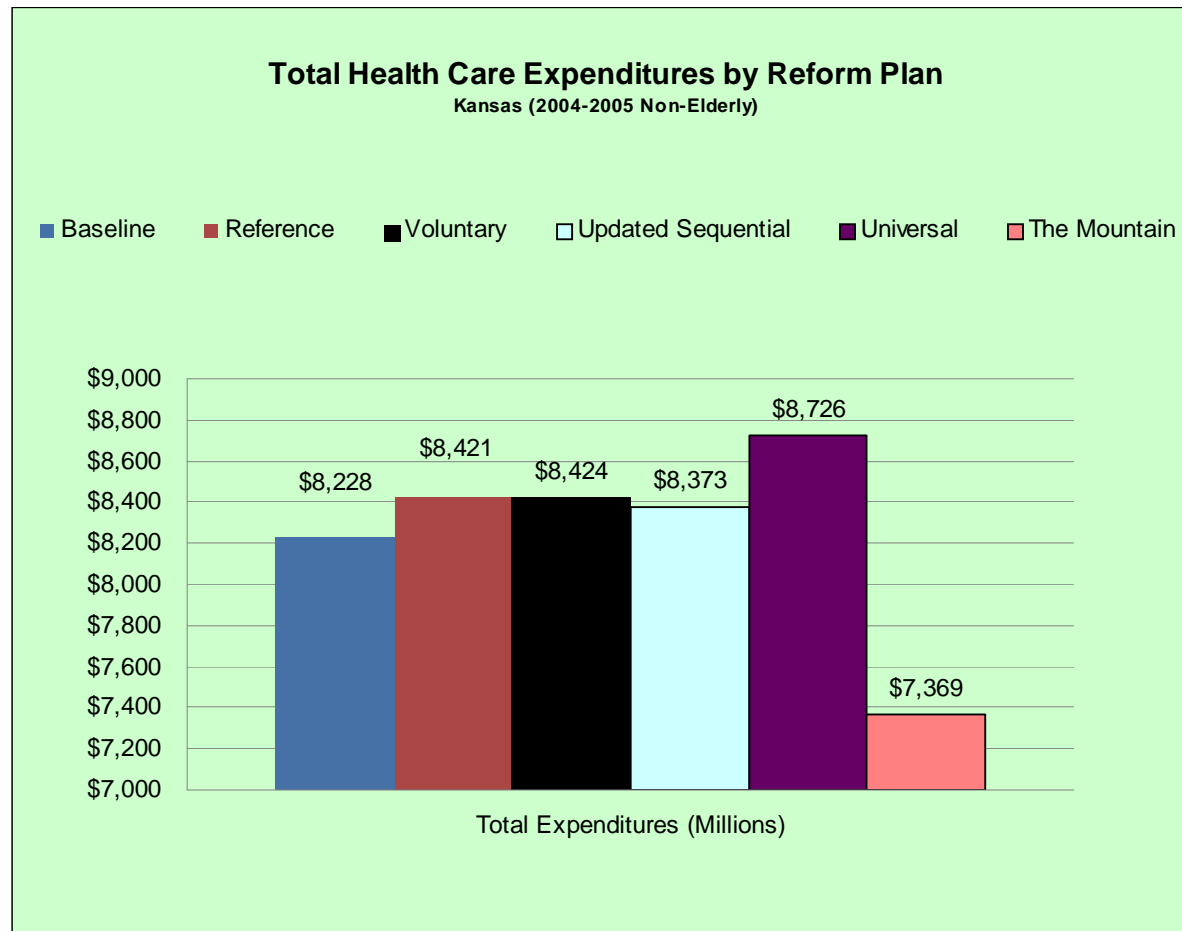
Updated Sequential Plan



Source: srHS HCRTC Model

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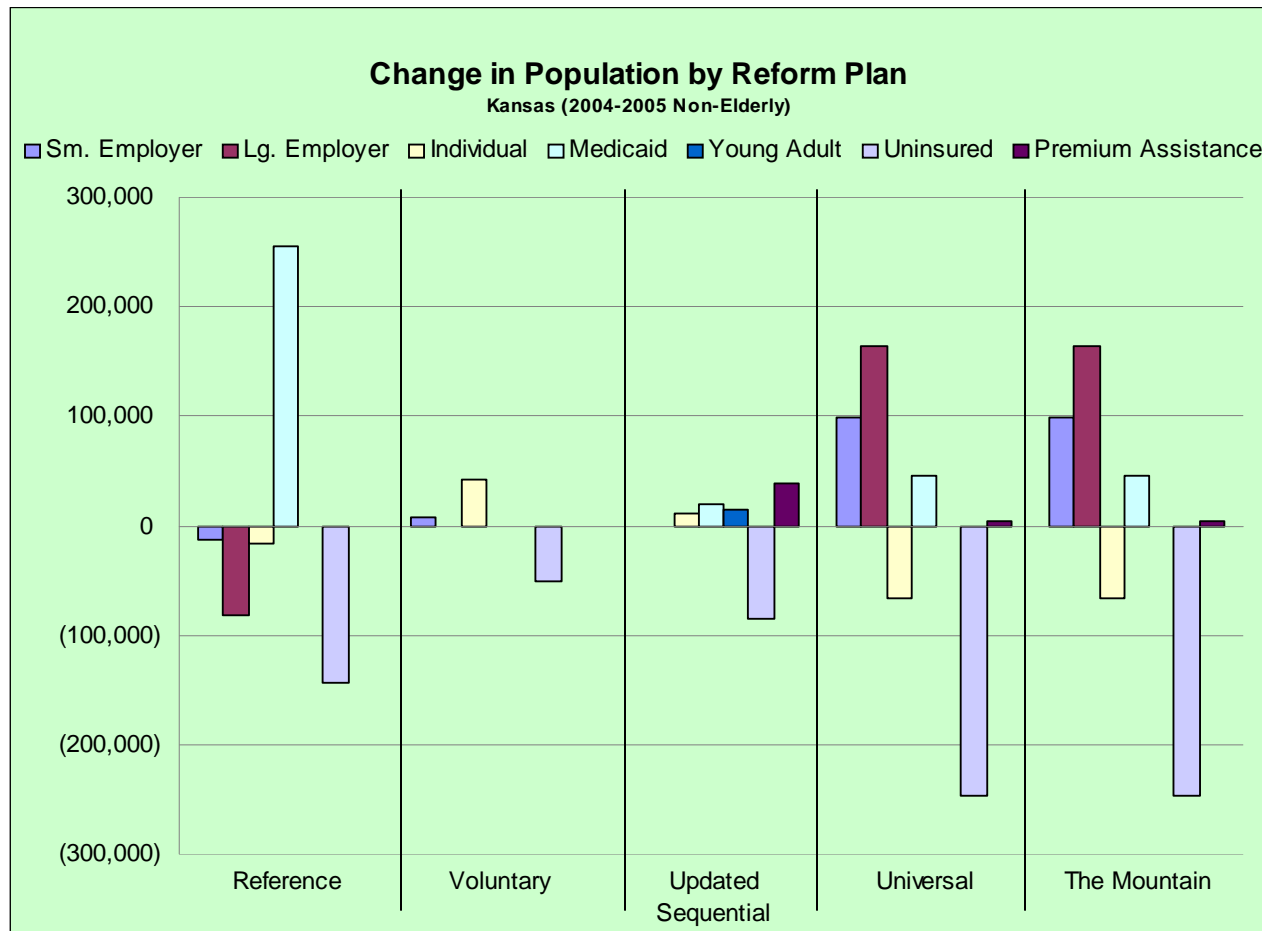
Summary of Total Dollars by Plan



Source: srHS HCRTC Model

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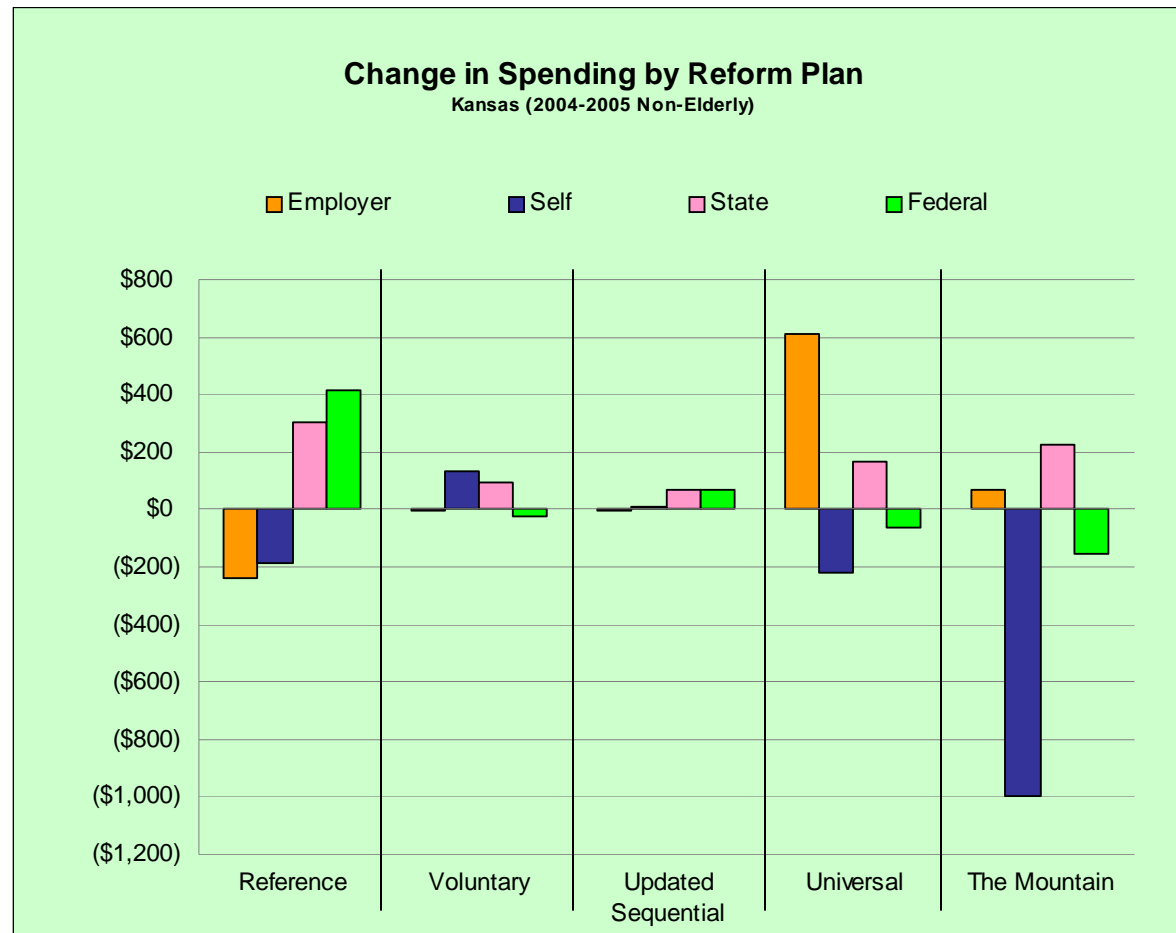
Summary of Population Changes by Plan



Source: srHS HCRTC Model

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Summary of Change in Spending by Plan



Source: srHS HCRTC Model

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Next Steps

- Finalize Report and Presentation for November 1st Legislative Oversight meeting